

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

PERIODIC REPORTING
(PROPOSAL NINE)

Docket No. RM2015-2

REPLY COMMENTS OF THE UNITED STATES POSTAL SERVICE
(December 5, 2014)

After several schedule adjustments, the Public Representative, pursuant to Order No. 2261 (November 26, 2014), filed timely initial comments in this docket on December 3, 2014. No other initial comments were filed. Since the date first specified for reply comments (set at December 5 in Order No. 2238) has not been adjusted, the Postal Service hereby responds to the Public Representative's comments. As noted previously, however, the Postal Service places a low priority on completion of this docket, as compared with other pending rulemakings, the results of which (Proposals Ten, Eleven, and Twelve) the Postal Service hopes to incorporate into the FY 2014 ACR.

The Public Representative generally recommends Proposal Nine for approval. However, the Public Representative also recommends the Postal Service first clarify the methodology for allocating and distributing load/unload costs and, second, provide all relevant documentation illustrating the results of the methodological updates required by the proposal. The Postal Service addresses these two concerns as follows.

Part of the confusion regarding load/unload costs might have been avoided if the proposal description had instead distinguished between "leaving/returning from route," with or without mailpieces. Substituting the "leaving/returning" nomenclature, the

following is a comparison of what happens to categories of IOCS tallies when the carrier is doing a “leaving/returning” activity. Hopefully, this additional information provides the transparency the Public Representative views as, at least to some extent, heretofore lacking.

Leaving/returning, with a mailpiece: Currently this becomes a direct mailpiece tally in C/S 6, with attribution and distribution based on C/S 6 only. With the proposal, a) if clocked to office, then no change (i.e. still C/S 6 only); b) if clocked to street, the tally is eliminated and these costs are distributed based on C/S 7 only.

Leaving/returning, with no mailpiece: Currently this becomes support, either overhead or other or both (depending on the route assignment), with different attribution/distribution based on whether it is overhead or other. With the proposal, a) if clocked to office, then no change; b) if clocked to street, the tally is eliminated and these costs are distributed based on C/S 7 only.

With regard to the Public Representative’s second concern, providing further illustrations of the details of indirect effects of Proposal Nine, the Postal Service considers those details appropriately deferred until presentation of the FY2015 ACR. The details will reflect nothing more than the simple update of inputs which result from the current methodology to inputs which result from the proposed methodology. These updates are routinely done at the time of proposal implementation in an actual ACR.

Therefore, the Postal Service respectfully requests that the Commission approve Proposal Nine.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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December 5, 2014